

WRITTEN STATEMENT ON THE  
MINORITY BUSINESS DEVELOPMENT AGENCY'S  
FY 2008 BUDGET

BY  
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BEFORE THE  
HOUSE APPROPRIATIONS SUBCOMMITTEE ON COMMERCE,  
JUSTICE, SCIENCE, AND RELATED AGENCIES

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Mr. Chairman and Members of the Subcommittee, it is my pleasure to appear before you today to present the FY 2008 President's Budget request for the Minority Business Development Agency (MBDA or Agency). Our request of \$28.7 million supports the Administration's commitment to an ownership society and economic growth. Adoption of this budget will enable the Agency to continue to fulfill its mission of ensuring the growth, expansion and competitiveness of minority business enterprises in the U.S. economy and in the global marketplace.

The vision of the Agency is to serve as an entrepreneurial organization serving minority entrepreneurs. Under a strategy of empowerment through enterprise, MBDA is focused on pursuing economic opportunities, procurement contracts, and financial capital on behalf of minority business enterprises. Since fiscal years 2002-2003, MBDA has implemented a strategic growth initiative, which focuses on increasing and enhancing the number of medium and large high-growth minority firms capable of competing in the global economy. This strategic focus is designed to leverage the highest and best use of MBDA resources, expertise and knowledge resulting in a positive return on investment to the taxpayer.

MBDA provides business enterprise technical and managerial assistance primarily through a nationwide network of Agency funded centers: Minority Business Opportunity Centers (MBOC), Minority Business Enterprise Centers (MBEC), and Native American Business Enterprise Centers (NABEC). These centers are operated by private and public

organizations that provide an array of business enterprise services to the minority businesses. The centers are generally operated through three-year cooperative agreements, which are funded by MBDA through grants on an annual basis. Through these programs, MBDA has been able to enhance and standardize the scope and quality of its entrepreneurial services, expand its outreach, and improve program performance.

Under the President's FY 2008 Budget request, MBDA will allocate approximately \$12 million towards program grants targeted to the nationwide network of Agency funded centers. This funding level is consistent with the previous fiscal year funding.

In fiscal year 2003, MBDA took Departmental responsibility for implementing the Native American Business Development, Trade Promotion and Tourism Act of 2000 (25 U.S.C. §4301 *et seq.*). MBDA established the Office of Native American Entrepreneurship and Trade to identify opportunities in the federal procurement sector. MBDA proposes to align the NABEC program with the Agency's MBEC and MBOC programs. Going forward, the NABEC program will target medium and large Native American businesses, with an emphasis on encouraging business activity in collaboration with tribal entities on tribal lands and related support networks.

The reengineered NABEC program will be results oriented, by measuring the number of procurement contracts, financial transactions and jobs created by NABEC clients. The NABEC operators will have the assistance of MBDA and the entire network centers.

In support of the Administration's commitment to the victims of Hurricanes Katrina and Rita, MBDA will continue to mobilize resources and assistance for affected minority businesses in the Gulf region. Included in the President's FY 2008 proposal are funds to continue operation of five centers in the Gulf Coast region. MBDA through its Gulf Coast centers and national network will focus on identifying and securing procurement and financial opportunities for Gulf Coast minority-owned firms; forging joint ventures and other teaming arrangements among minority business enterprises; and promoting Gulf Coast investment opportunities with medium and large minority-owned firms and investors nationally.

MBDA has accepted the responsibility for hosting and implementing the White House Initiative on Asian American and Pacific Islanders (WHIAAPI) as authorized by Executive Order 13339 and amended by Executive Order 13403. The purpose of the WHIAAPI is to provide equal economic opportunities for Asian American and Pacific Islander (AAPI) businesses in the U.S. economy and to improve the quality of life for AAPIs. In FY 2008, WHIAAPI will continue to conduct technical conferences to promote federal programs and opportunities. Through the WHIAAPI Interagency Work Group, a web-based Federal reporting tool will be developed that will allow Federal agencies to compile and submit their AAPI plans.

The President's FY 2008 Budget request will also allow MBDA to continue its education and advocacy on behalf of minority business enterprises. This is accomplished through the production of vital research on best business practices and issues affecting the growth of minority-owned businesses; and statistical analysis that provides a benchmark on the state of minority businesses. MBDA will also continue its education and advocacy activities through partnerships with minority business chambers, trade associations, faith based institutions, non-governmental organizations, and federal, state and local entities.

In support of minority business entrepreneurs and business owners, the President's FY 2008 Budget request will enable MBDA to host educational events, forums and conferences. One of the Federal government's most prominent and visible activities is the Minority Enterprise Development (MED) Week Conference. MED Week, as acknowledged by an annual Presidential proclamation, recognizes the achievements of minority entrepreneurs and the public/private sector entities that have supported them. The President's FY 2008 Budget request includes funds to plan and carry out the 26<sup>th</sup> Annual MED Week Conference in September, 2008 in Washington, DC.

The President's FY 2008 Budget request reflects a savings of \$1.0 million when compared to the recently passed Continuing Appropriations Resolution funding level for FY 2007. The decrease will be achieved through realizing administrative and managerial efficiencies in areas such as travel and contractual services.

Finally, the President's FY 2008 Budget request also includes conference fee authority for MBDA. Enactment of the "fee authority" requested language will allow MBDA to charge and retain fees for expenses related to the implementation of the annual National MED Week Conference.

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity and your interest in the Minority Business Development Agency. I look forward to working with you to keep our Nation's economy strong and competitive by fostering economic opportunities and prosperity for our Nation's 4.1 million minority business enterprises.